

Message Text

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PAGE 01 KABUL 01368 191107Z
ACTION NEA-10

INFO OCT-01 ISO-00 EB-08 XMB-02 TRSE-00 CIAE-00 INR-10
NSAE-00 DODE-00 COME-00 AID-05 /036 W
-----100959 191110Z /20
R 190800Z FEB 78
FM AMEMBASSY KABUL
TO SECSTATE WASHDC 6626

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PASS ALSO EXIM BANK

E. O. 11652: NA
TAGS: BEXP, EAIR, AF
SUBJECT: PURCHASE OF WIDE-BODY JET AIRCRAFT BY ARIANA AFGHAN
AIRLINES

1. WILLIAM WALLACE, EXECUTIVE VICE PRESIDENT OF ARIANA, HAS INFORMED EMBOFFS THAT, AT DECEMBER MEETING, ARIANA BOARD AGREED (ALBEIT WITH SOME RELUCTANCE ON THE PART OF ERSKINE RICE, THE SENIOR PANAM MEMBER) THAT MANAGEMENT COULD UNDERTAKE DETAILED DISCUSSIONS WITH MANUFACTURERS CONCERNING THE PURCHASE OF A NEW WIDE-BODY JET. REPRESENTATIVES OF MCDONLEN-DOUGLAS WERE IN KABUL FOR PRELIMINARY DISCUSSIONS IN EARLY FEBRUARY AND WILL RETURN TO KABUL IN LATE MARCH OR EARLY APRIL TO MAKE A FIRM PROPOSAL ON A DC-10. WALLACE SAID PROPOSALS WOULD ALSO BE SOLICITED FROM LOCKHEED FOR AN L-1011 AND FROM BOEING FOR A 747SP. THE ARIANA BOARD WILL MEET AGAIN ON APRIL 15 TO HEAR MANAGEMENT'S RECOMMENDATIONS AND, HOPEFULLY, TAKE A FINAL DECISION ON THE PURCHASE.

2. MANAGEMENT HAS ALSO AGREED TO HAVE AN AUDITED BALANCE STATEMENT FOR 1355 (MARCH 21, 1976 - MARCH 20, 1977) READY FOR THE APRIL 15 MEETING. WALLACE SAID THAT HE WOULD ALSO FURNISH COPIES OF THE FINANCIAL REPORTS TO THE EMBASSY AS SOON AS THEY ARE
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COMPLETED IN ORDER TO EXPEDITE CONSIDERATION BY EXIM OF FINANCING FOR PART OF THE PACKAGE. WALLACE STRESSED THE FAVORABLE FINANCIAL POSITION OF ARIANA WHICH HAS NO EXTERNAL DEBT (ALL THREE OF ITS JETS HAVE BEEN FULLY DEPRECIATED ACCORDING TO WALLACE) AND CASH RESERVES OF OVER \$20 MILLION.

3. COMMENT: WE HAVE HAVE HERE AN EXCELLENT OPPORTUNITY FOR A

SUBSTANTIAL SALE (OVER \$40 MILLION) OF U.S. EQUIPMENT. WE
BELIEVE ARIANA'S FINANCIAL STATEMENT WILL CONFIRM WALLACE'S
ASSERTIONS ABOUT THE FINANCIAL CONDITION OF THE COMPANY. IF
IT DOES, WE RECOMMEND FAVORABLE CONSIDERATION BE GIVEN BY
EXIM TO PARTICIPATING IN THE FINANCING.

DECLASSIFY UPON RECEIPT.
ELIOT

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, JET AIRCRAFT
Control Number: n/a
Copy: SINGLE
Draft Date: 19 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978KABUL01368
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
Errors: N/A
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Film Number: D780077-0327
Format: TEL
From: KABUL
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t19780235/aaaabdyi.tel
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Litigation History:
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
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Secure: OPEN
Status: NATIVE
Subject: PURCHASE OF WIDE-BODY JET AIRCRAFT BY ARIANA AFGHAN AIRLINES
TAGS: BEXP, EAIR, AF, ARIANA AIRLINES
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Type: TE
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Review Markings:
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